

**LOUISIANA TECHNICAL COLLEGE  
TALLULAH FOUNDATION**

**FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEARS ENDED DECEMBER 31, 2010, AND 2009**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **DEC 07 2011**

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LOUISIANA TECHNICAL COLLEGE TALLULAH FOUNDATION  
FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010, AND 2009

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Louisiana Technical College Tallulah Foundation  
Tallulah, Louisiana

I have audited the accompanying statements of financial position of Louisiana Technical College Tallulah Foundation (a nonprofit organization) as of December 31, 2010, and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Technical College Tallulah Foundation as of December 31, 2010, and 2009, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated November 17, 2011, on my consideration of Louisiana Technical College Tallulah Foundation's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of my audits.

My audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements; in my opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



Tallulah, Louisiana  
November 17, 2011

## FINANCIAL STATEMENTS

LOUISIANA TECHNICAL COLLEGE TALLULAH FOUNDATION  
STATEMENTS OF FINANCIAL POSITION  
YEARS ENDED DECEMBER 31, 2010, AND 2009

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Current Assets		
Cash - unrestricted	\$ 47,761	\$ 18,971
Cash - temporarily restricted	<u>-</u>	<u>10</u>
Total current assets	<u>47,761</u>	<u>18,981</u>
Property and Equipment		
Furniture, fixtures and equipment	1,650	1,650
Less accumulated depreciation	<u>1,650</u>	<u>1,485</u>
Net Property and Equipment	<u>-</u>	<u>165</u>
Total Assets	<u><u>47,761</u></u>	<u><u>19,146</u></u>
<b>Liabilities and Net Assets</b>		
Current Liabilities		
Accounts payable	<u>105</u>	<u>None</u>
Total current liabilities	<u>105</u>	<u>None</u>
Total Liabilities	<u>105</u>	<u>None</u>
Net Assets		
Unrestricted, available for general activities	47,656	19,136
Temporarily restricted for specific purposes	<u>-</u>	<u>10</u>
Total Net Assets	<u>47,656</u>	<u>19,146</u>
Total Liabilities and Net Assets	<u><u>\$ 47,761</u></u>	<u><u>\$ 19,146</u></u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA TECHNICAL COLLEGE TALLULAH FOUNDATION  
STATEMENTS OF ACTIVITIES  
YEARS ENDED DECEMBER 31, 2010, AND 2009

	<u>2010</u>	<u>2009</u>
<b>Unrestricted Net Assets</b>		
<b>Support and Revenue</b>		
Support		
Received from HUD	<u>\$ 153,574</u>	<u>\$ 55,566</u>
Total Support	153,574	55,566
Net assets released from restriction	<u>10</u>	<u>23</u>
Total Support and Revenue	<u>153,584</u>	<u>55,589</u>
<b>Expenses</b>		
Program services		
HUD	112,156	55,977
Foundation	12,733	4,723
Youth build	10	23
Supporting services		
Management and general	<u>165</u>	<u>330</u>
Total Expenses	<u>125,064</u>	<u>61,053</u>
Change in unrestricted net assets	28,520	(5,464)
<b>Temporarily Restricted Net Assets</b>		
Change in restricted net assets	<u>(10)</u>	<u>(23)</u>
Change in net assets	28,510	(5,487)
Net Assets, beginning of year	<u>19,146</u>	<u>24,633</u>
Net Assets, end of year	<u><u>\$ 47,656</u></u>	<u><u>\$ 19,146</u></u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA TECHNICAL COLLEGE TALLULAH FOUNDATION  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2010, AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Increase (decrease) in net assets	\$ 28,510	\$ (5,487)
Adjustments to reconcile changes in net assets provided (used) by operating activities:		
Depreciation	165	330
Increase (decrease) in:		
Accounts payable	<u>105</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>28,780</u>	<u>(5,157)</u>
Beginning cash and cash equivalents	<u>18,981</u>	<u>24,138</u>
Ending cash and cash equivalents	<u><u>\$ 47,761</u></u>	<u><u>\$ 18,981</u></u>

The accompanying notes are an integral part of these financial statements.

## NOTES TO FINANCIAL STATEMENTS



LOUISIANA TECHNICAL COLLEGE TALLULAH FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010, AND 2009

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

The Louisiana Technical College Tallulah Foundation is a non-profit organization which provides financial assistance to students attending the Tallulah campus of Louisiana Technical College. The Foundation also provides assistance to low and moderate income families in acquiring single family homes. The Foundation is funded primarily by a federal grant from the U.S. Department of Housing and Urban Development.

**Basis of Accounting**

The financial statements have been prepared on the accrual basis of accounting. The accrual basis of accounting records revenue in the period earned rather than when received and records expenses in the period incurred rather than when paid.

**Donated Material and Services**

No amounts are reflected in the statements for donated materials and services.

**Equipment**

Purchased equipment is stated at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

**Income Tax Status**

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Foundation considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2010.

**Net Assets**

Net assets of the Foundation are reported as unrestricted (no donor restrictions) or temporarily restricted (based on the existence of donor restrictions).

LOUISIANA TECHNICAL COLLEGE TALLULAH FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2010, AND 2009

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements in the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates.

**Allocation of Supporting Expenses**

Expenses have been allocated among program and supporting services classifications on the basis of internal records and estimates made by the Foundation's management.

**NOTE 2 - DEPOSITS WITH FINANCIAL INSTITUTIONS**

At December 31, 2010, and 2009, the Foundation had no cash deposits in excess of insurable limits.

**NOTE 3 - PROPERTY AND EQUIPMENT**

A summary of changes in general fixed assets for the year ended December 31, 2010, follows:

	12/31/2009	Additions	Disposals	12/31/2010
Office equipment	\$ 1,650	\$ -	\$ -	\$ 1,650
Less accumulated depreciation	1,485	165	-	1,650
Total	<u>\$ 165</u>	<u>\$ (165)</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 4 - CONCENTRATIONS**

The Foundation receives a substantial amount of its support from the federal government in the form of a U.S. Department of Housing and Urban Development grant. A significant reduction in the level of this support could have an effect on the Foundation's programs and activities. The funds from this grant award are accessed by the Foundation as needed up to 36 months from the date of the executed grant agreement. The funds are subject to audit by the respective grantor and various other governmental agencies. Management is of the opinion that no material liability will result from such audits.

The Foundation is a small non-profit organization located in Tallulah, Louisiana. Substantially all of the students assisted by the Foundation are local residents.

**NOTE 5 - RELATED PARTY TRANSACTION**

The Foundation provides financial assistance exclusively to students attending the Tallulah campus of Louisiana Technical College. Total assistance provided to students during 2010 and 2009 totaled \$10,659 and \$2,213, respectively.

**REPORT REQUIRED BY**  
***GOVERNMENT AUDITING STANDARDS***

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of  
Louisiana Technical College Tallulah Foundation

I have audited the financial statements of Louisiana Technical College Tallulah Foundation (a nonprofit organization) as of and for the year ended December 31, 2010, and have issued my report thereon dated November 17, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing my audit, I considered Louisiana Technical College Tallulah Foundation's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Technical College Tallulah Foundation's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses, as defined above. However, I identified one deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 10-01 that I consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Louisiana Technical College Tallulah Foundation's financial statements are free of material misstatement, I performed tests of its

Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with  
*Government Auditing Standards*  
Page Two

compliance with certain provisions of laws, regulations, contracts, and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 10-02.

This report is intended solely for the information and use of Louisiana Technical College Tallulah Foundation's, others within the entity, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Tallulah, Louisiana  
November 17, 2011

LOUISIANA TECHNICAL COLLEGE TALLULAH FOUNDATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED DECEMBER 31, 2010

I have audited the basic financial statements of the Louisiana Technical College Tallulah Foundation as of and for the year ended December 31, 2010, and have issued my report thereon dated November 17, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2010, resulted in an unqualified opinion. The following is a summary of my audit observations on internal control, tests of compliance, and findings related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*:

**A. SUMMARY OF AUDIT RESULTS**

**1. Report on Internal Control and Compliance Material to the Financial Statements**

Internal Control

Material Weaknesses ☐ Yes ☒ No Significant Deficiency ☒ Yes ☐ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

**2. Federal Awards - N/A**

Internal Control

Material Weaknesses ☐ Yes ☐ No Reportable ☐ Yes ☐ No

Type of Opinion On Compliance  
For Major Programs

Unqualified ☐  
Disclaimer ☐

Qualified ☐  
Adverse ☐

Are their findings required to be reported in accordance with circular A-133, Section .510 (a)?

☐ Yes ☐ No

Was a management letter issued?

☐ Yes ☐ No

**3. Identification of Major Programs:**

CFDA Number(s)

Name of Federal Program (or Cluster)

N/A

Dollar threshold used to distinguish between Type A and Type B Programs: N/A

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?

☐ Yes ☐ No

## **B. FINANCIAL STATEMENTS FINDINGS**

### **10-01 - Segregation of Duties**

#### **Finding:**

A good system of internal control provides for a proper segregation of the accounting functions. Due to limited personnel the Foundation does not have the proper segregation of duties over cash receipts and disbursements. This lack of separation of duties increases the potential for material misstatements and/or misappropriation of assets to occur and not be detected in a timely manner. Proper segregation is not always possible in a small organization, but limited segregation to the extent possible can and should be implemented to reduce the risk of errors or fraud.

#### **Recommendation:**

The Foundation should segregate its accounting functions as much as possible with its limited staff.

### **10-02 - Failure to Report on a Timely Basis**

#### **Finding:**

Louisiana Revised Statute 24:513 requires all audit engagements to be completed and transmitted to the Legislative Auditor within six months of the close of the Foundation's fiscal year end. Accordingly, the Foundation's audit report for the year ended December 31, 2010, was due to the Legislative Auditor by June 30, 2011.

The Foundation's accounting records were not complete enough for an audit to be performed within the required time.

#### **Recommendation:**

I recommend that the Foundation maintain accurate and complete accounting records to facilitate a timely audit in accordance with Revised Statute 24:513 and a CPA be engaged in a timely matter.

#### **Management's Corrective Action Plan:**

Management is taking steps to ensure the Foundation's audit is submitted to the Legislative Auditor on time. The year ended December 31, 2010, was the first time an audit was required in several years because of the prior years income was below \$75,000.00. The gross income will be monitored closely in the future so that audits can be prepared timely if required.

## **C. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

None

LOUISIANA TECHNICAL COLLEGE TALLULAH FOUNDATION  
SCHEDULE FO PRIOR YEAR FINDINGS  
DECEMBER 31, 2010

**Section I. Internal Control and Compliance Material to the Financial Statements**

09-01. Segregation of duties - Due to limited personnel, the Foundation's office does not have an adequate segregation of duties regarding its accounting and reporting system to maintain a complete system of internal control.

This was a finding in the current year also. See 10-01 in the current year.

**Section II. Internal Control and Compliance Material to Federal Awards**

This section is not applicable for this entity.

**Section III. Management Letter**

No Management letter was issued in the prior year.